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# Defense to rest today; Rewald won't testify

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The defense will rest in the Ronald Rewald trial today without calling Rewald or a clandestine CIA officer named Charles L. "Rick" Richardson.

That means the case could go to the jury next week, after the prosecution puts on a handful of rebuttal witnesses.

Rewald is gambling that he has raised enough suspicion about the CIA's relationship with him that jurors will acquit him of 96 counts of perjury, fraud and tax evasion.

His own refusal to take the stand means Rewald probably will never face public questioning under oath about his claims that the CIA set up and ran his company, Bishop Baldwin Rewald Dillingham & Wong.

As for Richardson, documents prove he obtained cover from Rewald. But defense attorneys have decided not to present Richardson's sworn testimony.

Defense attorneys are expected to argue that Rewald was a patriotic but bumbling businessman who plunged wholeheartedly into what he thought was the CIA's plan to have him create a facade of wealth and international business dealings. There was no fraud, the defense will argue, because Rewald always believed the CIA would pay the bills.

Rewald's own expert witness on the CIA, author and former CIA case officer Ralph McGehee, told a reporter outside the courtroom yesterday he didn't think the CIA

would knowingly get involved in defrauding investors.

But, McGehee told KHON-TV's Barbara Marshall, "I think if they determined that was what was going on then they would very quickly do a damage assessment: How much is known, how much is out, how can we control to limit the knowledge of CIA involvement in this particular operation?"

On the stand, McGehee was not allowed to testify about his belief the CIA lies and destroys records illegally to protect itself. He did testify there were some CIA "soft files" and "back channel" communications which would never get into the CIA's central records because they involved sensitive, illegal CIA activities.

McGehee said he has no personal knowledge of how the CIA kept records following his retirement in 1977.

Former Honolulu CIA office chief Jack Rardin testified yesterday that three phony cover stories the CIA offered Rewald early in 1983 were intended to mislead an IRS investigator.

But Rardin said that was to be an "interim measure." The CIA asked the IRS to "temporarily delay" its investigation of Rewald only so the CIA could provide to the IRS "the exact amounts, dates and reasons for monies being given to Rewald," according to a cable sent to Rardin at the time.

The CIA "cannot and will not provide further assistance to Rewald with respect to his tax situation," the cable said.